

<b>Finance and Administration Cabinet STANDARD PROCEDURE</b>		<b>ISSUED BY:</b> Department of Revenue; Disclosure
<b>PROCEDURE # 6.2.3</b>	<b>SUBJECT:</b> Ensuring Acknowledgement of Confidentiality by Third Party Contractors	
<b>EFFECTIVE DATE:</b> 10/28/11		
<b>CONTACT:</b> Disclosure Office		<b>LOCATION:</b> State Office Bldg; Station #6 <b>PHONE:</b> 502-564-2551 or 502-564-2552

## STATEMENT OF AUTHORITY

1. The Finance and Administration Cabinet's Standard Procedures Manual establishes standard mandatory internal procedures cabinet-wide. These procedures are established in accordance with the Secretary's statutory authority under KRS 42.014 and KRS 12.270 to establish the internal organization and functions of the Cabinet as necessary to perform the duties effectively.
2. The Standard Procedures Manual may only be revised in accordance with the process outlined in Standard Procedure #1.1 entitled: "Finance Standard Procedures and Manual".

## I. PURPOSE

To outline the procedure that shall be followed to obtain and ensure compliance of Acknowledgement of Confidentiality for on-site contractors and off-site contractors with potential access to state or federal tax information.

## II. POLICY

- A. All third party contractors and employees of the contractors shall read and sign the Acknowledgment of Confidentiality form ([Form SP7.601020](#)) before any confidential tax information may be released by the Department of Revenue (DOR).
- B. The Acknowledgement of Confidentiality form shall be signed annually.

## III. PROCEDURE

An employee, designated by the Commissioner's Office, shall be directly responsible for contractors and their employees, and shall explain the confidentiality of taxpayer information.

### A. On-Site Contractors with unique access to DOR facilities

1. On-site contractors are those individuals who perform a service for the DOR and are issued unique access and a swipe identification badge and/or granted access to DOR confidential information.
2. The designated employee assigned to the contractor shall review the Acknowledgment of Confidentiality form with the Third Party contractor and obtain signature.

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3. The Third Party contractor shall then explain the confidentiality of taxpayer information to all of their employees who have the potential of handling confidential taxpayer information, and direct the employee(s) and subcontractor(s), if any, to read and sign an Acknowledgment of Confidentiality.
4. All Acknowledgment of Confidentiality forms signed by Contractor, employees, and subcontractors(s) shall be sent to the designated DOR employee responsible for the on-site contract. The designated DOR employee shall then forward the forms to the applicable DOR Office, according to Section III, C of this procedure, for retention.
5. The designated employee shall then assist the on-site contractor and the contractor's employees with Building Authorization pursuant to Standard Procedure 6.5.1, Identification and Access Control Badges, Section III.

#### **B. Off-Site Contractors**

1. Off-site contractors are individuals who perform a service for the DOR at a site other than one of the DOR's locations.
2. The designated employee assigned to the contractor shall review the Acknowledgment of Confidentiality form with the Third Party contractor and obtain signature.
3. The signed Acknowledgment of Confidentiality form shall be retained according to Section C: Retention of Confidentiality Forms.
4. The General contractor and subcontractor(s) shall explain the confidentiality of taxpayer information to all of their employees who have the potential of handling confidential taxpayer information, and direct the employee(s) and subcontractor(s) to read and sign an Acknowledgment of Confidentiality.
5. The forms signed by employees and subcontractors(s) shall be sent to the designated DOR employee responsible for the off-site contract. The designated DOR employee shall then forward the form to the applicable DOR Office, according to Section III, C of this procedure, for retention.

#### **C. Retention of Confidentiality Forms**

1. Original Acknowledgements of Confidentiality forms signed by third party contractors handling Federal information shall be retained in the Disclosure Office.

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2. Original Acknowledgements of Confidentiality forms signed by third party contractors handling State information shall be retained in the Commissioner's Office.

#### IV. FORMS

[Form SP7.601020](#): Acknowledgment of Confidentiality